

The Swelling Greek Wine Market

By Danae Synodinou

Greece is an import-dependent country with a population of 11 million people. In addition, Greece is one of the world's most popular tourist destinations. Usually welcoming some 12.5 million visitors a year, the country expects to double that number when it hosts the 2004 Summer Olympic Games. Restaurants and hotels will therefore need to double their supplies in anticipation of the tourist onslaught that the Olympics will bring. Among the major items these institutions will be shopping for: all varieties of wines.

Wine Consumption Is Growing

Greece produces some high-quality wines, but recently production has declined. Compared to its European counterparts, Greece is a relatively small wine producer. As a result the country imports large quantities of wines, valued in calendar 2002 at \$42.5 million.

Most imports come from France and Italy, but more and more wines are arriving from Argentina, Australia, Chile, South Africa and the United States. Considering the limited local production and the high production cost, Greek wines cannot easily compete with inexpensive imports. In addition, there is a growing interest among Greek consumers in imported wines.

Wine consumption is on an upward trend in quantity and quality. Per capita consumption is 26 liters (1 liter=1.0567 quarts), with 86 percent of the Greek population drinking wine 3.2 times per



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week. Greeks consume a lot of locally produced wine, but they have gradually learned about imported wines, including the inexpensive products sold in discount stores.

Greeks purchase wines mainly from wine and liquor specialty shops and supermarkets. They generally prefer red to white wines.

Opportunity for U.S. Producers

U.S. wine producers have only a small portion of the Greek market. But the potential exists to increase sales, particularly during the Olympics. The 2004 Olympics will be the largest in history with 28 sporting events and more than 10,000 athletes from a record 201 nations.

The resulting growth in tourism will mean that restaurants and hotels will need more wines than ever to satisfy demand. Many of the tourists are expected to be from North America, and they will already be familiar with U.S. brands. The challenge for U.S. wine producers will be to increase consumer awareness among the Greek population. U.S. wine companies currently exporting to Greece include Ernest and Julio Gallo Winery, Wente Vineyards, Robert Mondavi Winery and Kendall Jackson Wines Estates, Ltd.

Importing Procedures

As a member of the EU (European Union), Greece complies with its import regulations. Products that follow EU regulations do not require special permits to be imported and marketed in Greece.

As for other food and beverage products, the key to success in the Greek marketplace is to connect with an experienced agent who will undertake the importing procedures and provide an extensive sales network. A duty of 2.8-percent is imposed on imported wines, and there is an 18-percent value-added tax on the retail price. ■

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